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ADM-10.5  
18 SEP 1967

**DD/S&T-3664/67**

**MEMORANDUM FOR: Deputy Director for Support**

**SUBJECT : Alternative Plan for Establishment  
of DD/S&T Contracting Teams**

1. I feel that our meetings of 2 and 9 August 1967 were most constructive in permitting us both to obtain a better view of our respective positions with regard to the assignment of contracting teams to this Directorate. I believe I have a better understanding of your position and as a result of further study of the problem, I would like to suggest a new alternate approach which I feel would be acceptable to both of us. This alternate which I will describe later in this memorandum should permit us to gain needed experience before making a total commitment to the new concept.

2. As I mentioned to you at our previous meetings, we are sincerely interested in participating in the new concept of delegated procurement authority if it can be accomplished under conditions which seem to indicate a sufficient commitment of resources to assure satisfactory results. I view the decentralized procurement concept as an essential part of what I consider a more comprehensive Agency development, namely, the coordination of Agency R&D. The relationship of this coordination effort and the contracting team approach leads me to conclude that it is most important for us to find mutually acceptable ground for implementing the decentralized procurement philosophy.

3. I have some thoughts on two basic principles which bear directly on the problems with which we are faced. The

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first concerns the differences of opinion between us as to the numbers of people involved in establishing the contracting team concept and the role to be played under that concept by [redacted]. My position in this matter, as I am sure is yours, is not inflexible as I believe the new alternate proposal will show. The reasoning behind my position is important, however, because it goes to the very heart of the problem before us. All of the review undertaken on the team approach to contracting leads me to the conclusion that the transfer of contracting officers from the Office of Logistics to the operating components is not a simple one-for-one relation but, in fact, establishes an entirely new and much more time consuming role for them as members of a Directorate contracting team.

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4. I believe I have previously mentioned that this Directorate has [redacted] technical officers who have direct responsibility for the technical monitoring of contracts for external research. These people should have a very close working relationship with the contracting officer because much of their daily work has a direct bearing on contractual arrangements with the contractors. Under the contracting team concept it is hoped that the contracting officer would become a fully integrated member of operational management, spending much of his time working with the project monitor, attending meetings which will necessarily involve the whole range of each program including its technical complexities and generally participating to the extent that he obtains a more complete understanding of the substance of the effort he will be contracting for. I believe his negotiating ability vis-a-vis the contractor will be greatly enhanced by reason of his close association with the Directorate R&D programs and with his technical counterparts in each office.

5. This close working relationship between contracting officer and technical monitor is, in my opinion, the essence

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of the contracting team concept but the price inherently involved is less time available for the pure contracting function with the result that more contracting personnel will be needed.

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6. The second principle involved here is actually the basis for my conviction that this Directorate should participate in the delegated procurement and contracting team concept. We are moving as an Agency toward a more coordinated and uniform approach to our R&D work, and certainly this benefits all of us. The Agency Notice describing the R&D coordinating task was a step in the right direction, but would be meaningless unless we consciously develop closer and more integrated working relationships dealing with all aspects of this activity. To move along on this basic proposition at the working level, I believe the contract team approach is a necessity. The facts of life at this time, however, are that position ceiling is at a premium and there are simply not enough of the right kind of people in the Agency to do the total job required. We are short on engineers and I presume you are short on procurement officers. At the same time, I feel that it is important for us to acquire some working experience at the same time we are trying to develop skills in the right places. It was for this reason I suggested the incremental approach with an initial contracting team in ORD so that we could carefully watch the

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experience and operations and modify the working arrangement as needs indicated to achieve optimum performance.

7. I still believe there is considerable merit in my ORD proposal inasmuch as by confining the new concept to only one office we would have concentrated and focused our experience on this matter and not simultaneously have to develop internal Directorate coordinating machinery when more than one office is involved. On the other hand, by recognizing three other factors, I now wish to offer a new alternative which simultaneously will allow us to accumulate the desired experience but also allow us to circumvent some of the problems we have discussed.

8. The new proposal is predicted on the following three assumptions:

a. Inasmuch as your procurement people and ORD are currently colocated in the same building and, therefore, in a position to work together perhaps it would be preferable to postpone the ORD approach and implement initially this new concept for those of my offices located in the Langley Building.

b. By recognizing that the two most essential ingredients in any contracting team are the technical monitor and contracting officer, focus our personnel needs on contracting personnel and, at this time, minimize our needs for audit and industrial security personnel.

c. Recognize that [redacted] [redacted] has, in fact, carried an appreciable contracting load for this Directorate and see whether experience shows the maintenance of such load can be assimilated into the new contracting team concept.

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9. Based on the above reasoning, I suggest we consider the following alternative. Three contracting officers, at appropriate grade levels, and one each auditor and industrial security officer, together with their positions at appropriate grade levels, be transferred to this Directorate. My plan at present would be to assign them to the Office of ELINT but their mission, under the delegated authority [ ] for RD&E contracting, will be to service contract actions funded from Agency appropriations in OEL, OSI, OCS, and FMSAC. The senior contracting officer will have the right, at his option, to either transfer contract action to [ ] or, in coordination with that office, negotiate the contract and establish plans for contract administration. We will give particular attention, during the initial phases of this system, to how [ ] works with this new team. One of the ingredients in this new team concept, as previously mentioned, is to insure the greatest interface between the technical officers and the contracting officers, and we must find ways and means to see if continued utilization of [ ] meets this principle. The assigned auditor will participate, to the degree that time allows, in our more significant contract negotiations and will also be responsible for insuring the closest liaison between elements of this Directorate and the [ ] of the Office of Finance. I would view the role of the assigned industrial security officer to be one primarily concerned with devising the security plan to exist through the life of any contracting action and then for him to make arrangements either with other security assets within DD/S&T or the Security Staff of the Office of Logistics to accomplish those actions called for by the plan. I have not developed this proposal to the extent of identifying precisely the need for clerical supporting positions but would hope that we could mutually work together to meet whatever need is proved necessary.

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10. While both of us probably recognize that this proposal, from our respective points of view is not the ideal, I am of the opinion that it is sufficiently substantive to give us a learning experience. I have observed, through the current contracting operations of OSA and OSP, that the team approach to contracting, if properly implemented, can make a significant contribution to the total system. It can result not only in dollar savings in the negotiation and administration of contracts but it also has a potential for general improvement of the R&D cycle. I am anxious to extend this system throughout this Directorate.

11. I believe that it would be worthwhile to proceed with the above proposal and, for a reasonable period of time, we periodically meet and exchange observations on its working. Then, at some future date which does not have to be previously identified at this time, we can mutually determine if it serves our individual responsibilities and, if so, undertake further action to do what is necessary to extend the scope of the system.

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for  
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